

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 55

January 28, 2009

SUMMARY OF BILL: Authorizes the General Assembly to appropriate a sum sufficient to fund one nurse in every K-12 public school.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$46,918,400

Decrease Local Expenditures - Net Impact - \$19,910,400

Assumptions:

- There are 1,712 K-12 public schools.
- Currently, there are 1,151 nurses employed statewide.
- The BEP formula will govern the funding percentages for all nurses. The funding split for nurses is 70 percent state and 30 percent local.
- According to the Department of Education (DOE), one nurse costs approximately \$48,000 in salary and benefits.
- Currently, 318 nurses are funded through the BEP funding formula. The total cost for these nurses is approximately \$15,264,000 (318 x \$48,000). The state share is \$10,684,800 and the local education agencies' (LEAs) share is \$4,579,200.
- Approximately 833 nurses are currently funded entirely by LEAs. The total cost for these nurses is estimated to be \$39,984,000 (833 x \$48,000). This cost will be divided between the state and the LEA. The state share will be \$27,988,800 and the local share will be \$11,995,200. The state share represents a new increase in expenditures. The LEA share is not a new recurring expenditure since LEAs are currently spending money for these nurses.
- An additional 561 nurses (1,712 schools - 1,151 nurses currently employed) will need to be hired that are not currently funded by either the BEP state/local split or LEAs. The total cost for these nurses is approximately \$26,928,000 (561 x \$48,000). The state share will be \$18,849,600 and the local share will be \$8,078,400.
- Total increase in new local expenditures will be \$8,078,400.

- As a result of the state splitting the cost of the 833 nurses currently funded by LEAs, LEAs will achieve a net decrease in expenditures. This net decrease is estimated to be \$19,910,400 (\$27,988,800 new state expenditures - \$8,078,400 new local expenditures)
- DOE will hire one health services specialist at a cost of approximately \$80,000. (salary and benefits (\$72,000), travel (\$6,000), supplies (\$1,000), and rent (\$1,000))
- The total increase in state expenditures will be approximately \$46,918,400 (\$27,988,800 + \$18,849,600 + \$80,000).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with a long horizontal stroke at the end.

James W. White, Executive Director

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